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June 26, 2007

The Honorable Matt Blunt  
Governor of the State of Missouri  
Office of the Governor  
Room 216, State Capitol Building  
Jefferson City, Missouri 65101

Dear Governor Blunt:

I am writing to request that you call the General Assembly into special session during this September's veto session to address the issue raised by the Supreme Court's decision in *Schoemehl v. Treasurer of Missouri, as Custodian of the Second Injury Fund*, 217 S.W.3d 900 (Mo. banc) (January 9, 2007). A continued lack of legislative action on this issue will result in an unnecessary increase to the financial burdens on business, an unfortunate reduction in protection for injured workers, or both.

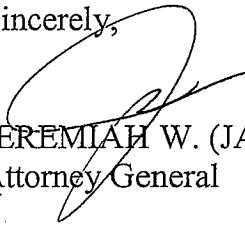
One week after the Supreme Court's decision, in your request that the State Auditor audit the Second Injury Fund, you emphasized the "vital role" that the Fund plays in compensating injured workers and noted the impact that the *Schoemehl* decision would have on its solvency. Recent testimony before the House Interim Committee focused on this issue. The Committee heard expert testimony that estimated the impact of the *Schoemehl* decision at up to \$35 million per year, increasing payouts as much as 50% from present levels. The testimony of a financial analyst from the Department of Labor and Industrial Relations, last week, indicated that with such increases the fund will be insolvent by mid-to-late 2009. Such a result must be avoided, and the continuing failure to address this issue is sapping the Fund of needed resources.

It is time to act. The General Assembly failed to address the *Schoemehl* decision during the last session. Every month's delay results in increased long-term liabilities for the Fund and increased risk to the stability of this system that was designed to protect

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both workers and their employers. Such extraordinary circumstances are within your power to address under Section 9 of Article IV of the Missouri Constitution. I urge you to act now to protect Missouri businesses and their employees.

Sincerely,



JEREMIAH W. (JAY) NIXON  
Attorney General

cc: Honorable Sarah Steelman, State Treasurer  
Custodian of the Second Injury Fund